

**CITY-UNIVERSITY STRATEGIES AND FOREIGN BRANCH CAMPUSES:  
COMPETING IN THE GLOBAL KNOWLEDGE ECONOMY**

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Clark Kerr once wrote that:

‘The wealth of nations now depends on the performance of higher education as never before, through its contribution to building human capital and accumulated knowledge’ (Cole 2009 p 109).

The 19<sup>th</sup> C geographer, Alexander von Humboldt believed that ‘both [university] teachers and students have their justification in the common pursuit of knowledge, and hence there is unity of research and teaching’. German universities were the first to embrace this spirit.

Von Humboldt’s contemporary, Cardinal John Newman, had a different emphasis. He believed that universities were about developing human capital, though he expressed it differently. Universities were, in his words, ‘a training ground for gentlemen’. But he didn’t think universities were about research, which was the responsibility of professional societies.

Much is expected of the 21<sup>st</sup> Century universities, including a clear view of what they are meant to do and be. They will continue to be about building human capital in all its diversified forms, from professional qualifications to the liberal arts. And they will continue to be about the critical interrogation, circulation and distribution of knowledge.

Research is a component of the scholarship of knowledge, but it is not necessary to all knowledge development. Critical commentary, the engagement of the public intellectual and the creative arts are all essential to the university’s ability to build human capital and enhance the knowledge economy, but they are not necessarily research.

Much is currently being written about the high cost of university study. It has fueled growing speculation that technology, in the form of MOOCs, will transform higher education in a similar, no holds barred, way that online retail decimated book and CD shops.

This is simplistic. Universities have assumed a more complex and significant social, economic and political role over the last two decades. It is being driven by globalization and the expanded significance of the knowledge economy. The structure of universities is changing and will continue to be transformed, possibly dramatically.

Online education will inevitably be involved. However, I am not convinced that the future university will be reduced to an online degree mill, even if its foundation is an Ivy League university.

The purpose of my overall research is to better understand what has been happening in recent years to re-shape the modern university and hence what it means to our imagining of future higher education forms.

## **THE PROJECT**

My project at the Wilson Center looks at a sub-set of this process of adjustment by universities to the opportunities created by a globalizing knowledge economy. Specifically I am interested in the growing number of complex and sometimes troubled relationships that develop between cities and universities.

My research focus over a number of decades has been on the city in Pacific Asia, especially Indonesia and Vietnam, and later, China.

From 2000 to 2013 I was Vice President of Flinders University. My portfolio responsibilities were the University's international strategy and the domestic and international community engagement program.

During that time I worked closely with three levels of government in Australia: the municipality and the State and Federal governments. It was a reflection of the serious interest in international education; at its peak in 2010 it was Australia's second most valuable export. I also had responsibility for university programs running in Singapore and Kuala Lumpur, and in China, based in Tianjin and Beijing.

The experience shaped my understanding of how cities and universities collaborate, or on occasions fail to connect effectively, on international strategies and on local business innovation and the wellbeing of communities.

While at the Wilson Center I have been exploring both international and local streams of city-university engagement. In this presentation I will focus on two international case studies.

I have received great support from Jeremie Gluckman, who has worked with me as a graduate intern. I would like to publically acknowledge Jeremie's contribution to the project – specifically the case studies that I am not going to talk about.

## **INTERNATIONAL DYNAMICS OF CITIES AND UNIVERSITIES**

Modern universities connect with an international scholarly community. It has been part of their DNA since the days of Erasmus and the 'republic of learning' (Davis 2010). In the last two decades the pace of internationalization has quickened and diversified. At the same time modern universities are becoming bigger, more complex and more influential.

Universities' international strategies expand the opportunities for their students to travel abroad for study or work experience, build better international research links, and contribute to solving global problems.

The growth in fee-paying private and government funded international students has brought commercial matters into the equation. Student fees are the main income source for many private and public universities, and one of the few sources of new money, especially for universities with limited access to endowments.

Governments see multiple benefits from international education. It attracts talented students and graduates while also being a significant source of export income. International alumni, students abroad and international research and community collaboration enhance the soft power of nations.

The growth of international education has not gone unnoticed by city administrations. Students accelerate the revitalization of inner cities, and contribute to technological innovation and new startup businesses. After they graduate and leave it is not unusual for alumni to invest in businesses and housing and return on vacations.

## **BRANCH CAMPUSES AND UNIVERSITY HUBS**

International branch campuses of universities are growing in number. They involve significant city-university collaboration, and they provide important insights into the future of an internationalizing knowledge economy. I have focused on the stories of two campuses that have attracted media attention: the new Yale-NUS College in Singapore, and Carnegie Mellon University's campus in Adelaide.

### **The Singapore Experience**

Singapore first embarked on a strategy to bring in foreign universities in the late 1990s. The Singapore Economic Development Board launched a 'World Class University' program in 1997. It was aimed at making Singapore a global education hub by attracting ten world class universities to Singapore within ten years (Forbes and Cutler 2006 p 181).

At the 2009 World Economic Forum the Presidents of the National University of Singapore (NUS) and Yale University met. With the active support of the Singapore Government, they commenced discussions on the setting up of a new college. A visit to Singapore by Yale's President was reported in the *Yale Daily News*. It attracted substantial criticism, setting the tone for public engagement as the idea developed (Yee 2009).

The Yale-NUS College prospectus outlined a series of grand ambitions including to 'have a profound impact on the development of higher education throughout Asia', 'extend...[Yale's] long tradition of leadership in shaping liberal education', and 'develop a novel curriculum spanning Western and Asian cultures' (Levin and Salovey 2010).

It was also noted that Yale might benefit 'through redesign of Yale's models of...education' and perhaps the curriculum innovations would 'spread back to our own campus and our nation' (Levin and Salovey 2010).

On a visit to New Haven by Singapore's Minister for Education in September 2010, a MOU was signed. Yale-NUS College would be an institution for 1,000 students, centred on residential colleges. Breadth of study and critical thinking would be central to the curriculum, and the three majors would be in the humanities, science and social sciences (Caplan-Bricker 2010 p 3).

An official launch of Yale-NUS College followed in April 2011 and a ground breaking ceremony in July 2012. An initial intake of 157 students commenced in the 2013-14 academic year.

### **The Adelaide Experience**

The second case study is about Adelaide and its attempt to, like Singapore but on a smaller scale, create a university city based on foreign branch campuses, beginning with Carnegie Mellon University (CMU) (Forbes 2014).

On a visit to Pittsburgh in 2004 the South Australian Premier announced an agreement with iCarnegie and the Heinz School of Public Policy and Management to establish a 'privately owned university'. He said by 'creating a university hub, we expect Adelaide to attract far greater attention from overseas and interstate students' (Rann 2004). Increased students from Asia and the Middle East would contribute to doubling international student numbers, the target set out in the State Plan.

The Government had no strategy in place at the time, and senior staff from the State's three public universities had no knowledge of the Premier's intentions. Public response to the announcement was a mix of skepticism and bemusement.

Nevertheless, in July 2005, the State Government approved CMU's application to operate as a university (that power has subsequently shifted to the Federal Government). 'Australia's first foreign university' was launched in November 2005 with Masters programs in entertainment technology and public policy and management (Rann 2005).

The first students enrolled in 2006. By 2008 the entertainment technology program had closed. A report by the Australian Universities Quality Agency in 2010 revealed 116 students were enrolled in the remaining Heinz School programs; by the end of 2010 in total 202 students were expected to have graduated from CMU degree programs.

Inspired by the success of attracting CMU to Adelaide, and apparently undeterred by very small numbers of students, in mid-2006 the State Government announced a 'University City Project'. A project office located within the Department of Premier and Cabinet was charged with supporting CMU's activities and attracting more universities to Adelaide.

## **KNOWLEDGE AND GLOBAL COMPETITIVENESS**

Singapore and Adelaide are very different in terms of population size – Singapore has 5.3 mill, compared to Adelaide's 1.2 mill – economic structure, governance and resources. Consultancy firm QS annually ranks cities based on measures of student friendliness: the quality of the universities; the student mix; quality of living; employer activity; and affordability.

On the 2012 exercise Singapore ranks 12<sup>th</sup> out of 50 cities. Its greatest strength is the employer activity and the opportunities that opens for students; its weakness is affordability. Adelaide ranks 29<sup>th</sup>. Its strength is quality of living; its weakness also affordability (QS 2012).

Both cities have adopted explicit strategies to attract highly regarded foreign universities and establish university hubs.

In addition to the Yale NUS College, Singapore hosts a number of American, British and Australian universities. It includes the Duke-NUS Graduate Medical School (est 2005) and a Singapore MIT Alliance (1998).

Other American universities are withdrawing from Singapore. A Johns Hopkins Division of Biomedical Sciences research center, established in 1998, withdrew in 2006; the University of Chicago's Booth School of Business is re-locating to Hong Kong; New York University is closing its Tisch School of the Arts and its Singapore Law School; and the University of Nevada at Las Vegas is exiting in 2015 (Lane and Kinser 2012).

Adelaide's experience has been similar. University College London (UCL), represented by its School of Energy and Resources, was the second major university to establish a campus in Adelaide, enrolling its first students in 2011. It is seeking to leverage an anticipated resources

boom in South Australia. Britain's Cranfield University set up in Adelaide soon after CMU, but closed its office in 2010. More recently the Kaplan group and India's ICFAI University announced plans to establish universities in Adelaide, but subsequently reversed their decisions.

Then in late 2012 Laureate International universities received a five year accreditation to establish and operate Torrens University Australia in Adelaide. It plans to open in 2014.

Most of these universities received substantial financial support from the Government. The exception is the for-profit Torrens University, in-kind support being provided. Cities subsidise universities to create campuses in much the same way as they subsidise factories for manufacturing automobiles, albeit at significantly less cost.

### **Diversifying the Curricula**

The city's expect university branch campuses to diversify and strengthen the education provided locally, at either under-graduate or post-graduate level. This is perceived as central to a vibrant knowledge economy. Left to the open market, providers would generally gravitate towards a business studies focus. In both case studies the governments had a strong view about the most appropriate curricula focus.

CMU's Masters offering in Adelaide commenced with entertainment technology, followed by public policy and management courses with an emphasis on modeling and theory. Flinders University had long provided courses in public policy and management emphasizing politics and case studies. The two programs had an agreement enabling students to gain credit from enrolling in the other's courses, but no students took up the offer. The entertainment technology option could not be sustained, and enrolments in public policy have been bolstered by students funded by both the State and Federal Governments. The program survives because of the subsidies.

Curriculum matters in Singapore proved rather more problematic than in Adelaide. Early on the Singapore Minister of Education welcomed the Yale-NUS initiative saying 'The Government is supportive of Yale and NUS's efforts to develop a liberal arts...that is contextualized to Singapore and Asia' (Ng En Hang 2010). Contextualized was the pivotal word.

Later at the College launch the Yale President, wary of criticism within Yale, optimistically noted that 'Our agreement with NUS incorporates the language protecting academic freedom...and affirms consistency with Yale's policies on non-discrimination' (Levin and Salovey 2011).

Criticism mounted steadily through 2011, with the key voices coming predominantly from Yale faculty. It took off in 2012. Of the 100 documents I have read, 40 were written in 2012. James Sleeper, based at Yale, wrote 17 of the 100.

Curriculum criticism clusters around two main concerns. The first is that it is wrong for a liberal arts education to be provided in a state that curbs freedom of speech and tramples over the rights of citizens and residents, including the LGBT community. As it gained momentum it has broadened out to become an argument that American universities should not establish campuses in foreign countries with oppressive, authoritarian regimes.

The second thread of criticism was specifically about Yale and the governance of the university. Critics saw it as the transfer of responsibility for a major academic initiative from the *collegium* - the company of scholars - to the corporation; Yale Corporation, that is (Sleeper 2013).

Yale President Richard Levin stood down in June. His replacement, Peter Salovey, as the former Provost had also been significantly engaged in establishing Yale-NUS College.

## CONCLUSION

There are many issues that I have either not mentioned, or not explored sufficiently, in this presentation:

- the benefits of branch campuses for local universities (it differed significantly between Singapore and Adelaide);
- the effect on the number of international students in the city (negligible in both cases);
- the impact of the students and graduates on the city (there are too few at this stage to determine);
- the changing management and governance structures within globalising universities (universities as global corporations);
- the effect on the global competitiveness of the cities, and, for instance its attractiveness for business investors or migrants;
- the soft power impact of university branch campuses;
- and how branch campuses fit with President Obama's 'Pivot to the Pacific/Asia' (Manyin et al 2012), and the Australian Government's 'Asian Century' strategies.

University city strategies that import branch campuses of highly regarded universities help to strengthen the city's image as a student hub with a prominent knowledge economy. They are good for the city brand. How good, and precisely what they achieve, are another matter.

The footloose behavior among university branch campuses appears significant, in part because the fixed costs of infrastructure are often minimal. It provokes questions about the strategic intentions of universities establishing foreign campuses and the sustainability of foreign university precincts.

Finally, what does all this tell us about the new forms of universities? There are two key points.

First, universities are more globally connected, more inclined to taking risks, and perceived as more critical to future knowledge economies than is often understood. MOOCs may be a part of this global connectedness; but how big a part is less clear.

Second, the establishment of international branch campuses reflects a complex and fluid adjustment of universities to global opportunities that pushes the control of universities further towards corporate management models. How management structures reconcile corporate accountability with the traditional accountability to a community of scholars is far from resolved.

Getting the university model right, and managing the complexities of 21<sup>st</sup> Century universities, will not be easy.

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